



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: October 3, 2017

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

Banner-University Medical Center South Campus, LLC, an Arizona limited liability company ("Tenant").

***Project Title/Description:**

Fifth Amendment to Lease for the medical hospital premises located at 2800 E. Ajo Way, Tucson, Arizona.

***Purpose:**

This Fifth Amendment will clarify and provide more detail of the building systems that were stated in the Fourth Amendment that was fully executed on March 7, 2017. Pima County will reimburse Banner for the actual costs of any or all of these items after receipt of documentation of Banner's final payment to their contractor. The not to exceed amount of \$3,000,000.00 that was stated in the Fourth Amendment to the Amended and Restated Lease Agreement has not changed.

***Procurement Method:**

Exempt D29.6

***Program Goals/Predicted Outcomes:**

Tenant will continue to provide medical, surgical and out patient services to Pima County residents in a well maintained and operating facility.

***Public Benefit:**

The hospital located at the Banner-University Medical Center south campus will have mechanical and safety equipment replaced which is necessary for the proper operation of the building and central plant. As a result, Pima County residents and visitors will continue to have access to medical care which can positively affect their health and well being.

***Metrics Available to Measure Performance:**

Pima County will continue to fulfill their responsibility to provide hospital and medical services as stipulated by A.R.S. 11-251 sections 5 and 17.

***Retroactive:**

No.

To: CoB. 9-20-17
pgs. - 5

Procure Dept 09/20/17 AM 10:15

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$* _____ Revenue Amount: \$ _____

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

***Is the Contract to a vendor or subrecipient?**

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: CT Department Code: FM Contract Number (i.e., 15-123): 15*474

Amendment No.: Five AMS Version No.: 13

Effective Date: 10/3/2017 New Termination Date: no change in termination date

Prior Contract No. (Synergen/CMS): CT FM 12*2152

Expense or Revenue Increase Decrease Amount This Amendment: \$ 0.00

Is there revenue included? Yes No If Yes \$ _____

***Funding Source(s) required:** not applicable

Funding from General Fund? Yes No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ _____

***All Funding Source(s) required:**

***Match funding from General Fund?** Yes No If Yes \$ _____ % _____

***Match funding from other sources?** Yes No If Yes \$ _____ % _____

***Funding Source:** _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

Contact: Melissa Loeschen

Department: Facilities Management

Telephone: 724-8230

Department Director Signature/Date: [Signature] 9/19/17

Deputy County Administrator Signature/Date: [Signature] 9/19/2017

County Administrator Signature/Date: [Signature] 9/20/17
(Required for Board Agenda/Addendum Items)

**FIFTH AMENDMENT TO
AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN PIMA COUNTY AND UNIVERSITY PHYSICIANS HEALTHCARE (NOW
ASSIGNED TO BANNER-UNIVERSITY MEDICAL CENTER SOUTH CAMPUS, LLC)
FOR KINO HOSPITAL CAMPUS
[PIMA COUNTY CONTRACT CT FM 12*2152]**

This Fifth Amendment to Amended and Restated Lease Agreement, effective on the date executed by both parties, is made and entered into by and between Pima County, a political subdivision of the State of Arizona ("County"), and Banner-University Medical Center South Campus, LLC, an Arizona limited liability company ("Banner").

RECITALS

- A. County and University Physicians, Inc., the name of which was later changed to University Physicians Healthcare ("UPH"), an Arizona nonprofit corporation, previously entered into a lease agreement dated April 27, 2004 (as subsequently amended, the "Lease"), pursuant to which County leased to UPH a hospital facility and some associated real property (the "Hospital") formerly operated by County as Kino Community Hospital.
- B. The Lease was subsequently amended several times and then completely amended and restated by the parties pursuant to the Amended and Restated Lease dated June 21, 2011 for reference purposes. The Lease was further amended by the First Amendment to Amended and Restated Lease executed by the County on August 20, 2012, the Second Amendment to Amended and Restated Lease which was fully executed on May 13, 2014, the Third Amendment to Amended and Restated Lease which was fully executed on August 16, 2016, and the Fourth Amendment to Amended and Restated Lease which was fully executed on March 7, 2017.
- C. UPH assigned the Lease to Banner, effective February 27, 2015.
- D. County and Banner have determined that the Hospital needs certain capital improvements to the County owned building in order for Banner to retain its accreditation from The Joint Commission and to maintain essential operations of the hospital campus, as described on Exhibit A (the "Improvements").

AGREEMENT

Now, therefore, the parties agree as follows:

1. Reimbursement for Capital Improvements.

- 1.1. Banner shall be responsible for contracting for the Improvements in compliance with all applicable competitive procurement requirements of Pima County and the requirements of Title 34 of A.R.S.
- 1.2. County will reimburse Banner for the actual cost of the Improvements in an amount up to but not to exceed Three Million Dollars (\$3,000,000.00).

- 1.3. County will make the reimbursement provided for in subsection 1.2 above to Banner within thirty (30) days after Banner provides County with documentation substantiating Banner's final payment of the actual costs of the Improvements and documentation of the system and equipment specifications. All provisions of Section 17 of the Lease regarding improvements apply to such Improvements, including the requirement to comply with Title 34 of A.R.S. in contracting for the work.
 - 1.4. Preventative Maintenance. Not later than the time Banner submits a request for reimbursement, Banner will establish a preventative maintenance program for any new systems which are part of the Improvements and will provide a copy of the program to the Pima County Facilities Management Director for review and approval.
2. Lease Remains in Effect. The Lease remains in full force and effect as modified by this Fifth Amendment.

IN WITNESS WHEREOF, County and Banner have executed this Fifth Amendment as of the date indicated below.

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PIMA COUNTY, a political subdivision
of the State of Arizona

**BANNER-UNIVERSITY MEDICAL
CENTER SOUTH CAMPUS, LLC**
an Arizona limited liability company

Sharon Bronson
Chair of the Board of Supervisors

Date: _____


By:
Title:

Date: _____


ATTEST:

Julie Castaneda
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

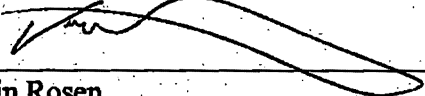

Lisa Josker
Director, Facilities Management Department

Date: 9/19/17


Francisco Garcia M.D.
Assistant County Administrator for Health
Services and Chief Medical Officer

Date: 19 Sep 2017

APPROVED AS TO FORM:


Tobin Rosen
Deputy County Attorney

Date: 9/15/17

EXHIBIT A – Building Improvements

PIMA COUNTY, a political subdivision
of the State of Arizona

BANNER-UNIVERSITY MEDICAL
CENTER SOUTH CAMPUS, LLC
an Arizona limited liability company

Sharon Bronson
Chair of the Board of Supervisors

By: *Thomas C. Dickson*
Title: *Ceo*

Date: _____

Date: *9-15-17*

ATTEST:

Julie Castaneda
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

Lisa Josker
Director, Facilities Management Department

Date: _____

Francisco Garcia M.D.
Assistant County Administrator for Health
Services and Chief Medical Officer

Date: _____

APPROVED AS TO FORM:

Tobin Rosen
Deputy County Attorney

Date: _____

EXHIBIT A – Building Improvements

EXHIBIT A

Replace Cooling Tower for Kitchen Equipment- equipment is failing and in need of replacement.

Replace Fire Pump Control System- Per State fire Marshal this system must be replaced to meet current code and life safety regulations.

Replace BHP Chiller #1- This unit has failed and replacement is required to keep the Behavioral Health Pavilion cool.

Replace sewage ejector pump and upgrade the float system- system is at end of life expectancy and frequent repairs are needed.

Replace BAS and install pressure monitors- served Sterile Processing and Operating Rooms for correct pressure regulation.

Replace Medical Gas System- system supplies medical air to entire hospital. Two of three compressors have failed and are in need of replacement.

Replace VFD's- Replaced based on prioritization and budget.

Replace ATS gear- switches are at end of useful life and at risk of failing. Replaced based on prioritization and budget.

Replace central plant roof- roof is leaking and in need of replacement.